



Control Number: 51035



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DOCKET NO. 51035

**PETITION OF QUADVEST, L.P. TO
DISCONTINUE WATER SERVICE AND
CANCEL ITS WATER CERTIFICATE
OF CONVENIENCE AND NECESSITY
TO THE CAPE SHORES SUBDIVISION
IN JACKSON COUNTY**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

**COMMISSION STAFF'S RECOMMENDATION ON ADMINISTRATIVE
COMPLETENESS, NOTICE, AND PROCEDURAL SCHEDULE**

COMES NOW the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and in response to Order No. 3, files this Recommendation on Administrative Completeness, Notice, and Procedural Schedule. Staff recommends that the application be deemed administratively complete. In support thereof, Staff shows the following:

I. BACKGROUND

On July 10, 2020, Quadvest, L.P. (Quadvest) filed a petition under 16 Texas Administrative Code (TAC) § 24.249 to discontinue service and cancel its water Certificate of Convenience and Necessity (CCN) No. 11612 in Jackson County, Texas.

On September 2, 2020, the administrative law judge (ALJ) issued Order No. 3, establishing a deadline of October 7, 2020 for Staff to file comments on administrative completeness and proposed notice, and to propose a procedural schedule.

On September 8, 2020, following discussions with Staff, Quadvest filed an application to amend water CCN No. 11612 to decertify of a portion of the service area in Jackson County, rather than discontinuation of service and cancellation of its CCN. The total area to be decertified includes approximately 152 acres and no current customers.

Given the deadline of October 7, 2020 established in Order No. 3, this pleading is timely filed.

II. ADMINISTRATIVE COMPLETENESS

Staff has reviewed Quadvest's application and supplemental filings, and as detailed in the attached memorandum from Alicia Maloy of the Commission's Infrastructure Division,

recommends that the application is administratively complete for further processing. Staff's recommendation that this docket be processed as a CCN amendment by decertification, rather than a discontinuation or reduction of service, is based on Quadvest's representations that there are no existing customers in the portion of CCN No. 11612 that it has requested to be decertified, and that Quadvest has never served the requested area.¹ Staff is working with Quadvest to formally get this and other necessary facts into the record for this proceeding via discovery requests. However, Staff recommends that this information speaks to the merits of the application and Staff's sufficiency recommendation does not address the merits of the application.

III. NOTICE

In accordance with Staff's recommendation that the application is administratively complete, Staff recommends that Quadvest proceed with providing public notice. Specifically, Staff recommends that Quadvest use the attached form entitled *Notice to Current Customers, Neighboring Systems, and Cities* to provide notice, including a map of the area to be decertified, to all required recipients, as detailed in Ms. Maloy's memorandum. Additionally, Staff recommends that Quadvest use the attached *Notice for Publication* form to publish notice of the application in a newspaper of general circulation in Jackson County once each week for two consecutive weeks. Further, Staff recommends that Quadvest file the attached *Affidavit of Notice* and *Publisher's Affidavit* forms upon completion of notice, as detailed in the proposed procedural schedule below.

IV. PROCEDURAL SCHEDULE

Staff proposes the following procedural schedule for further processing of this docket:

Event	Date
Deadline for Applicant to file with the Commission signed affidavits that the notice was given, along with a copy of the notice and map sent to the affected parties	November 20, 2020
Deadline for Staff to file a recommendation on sufficiency of notice	December 4, 2020

¹ 16 TAC § 24.245(d)(1)(A), (E).

Deadline to intervene	30 days after notice is provided
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V. REQUEST TO RESTYLE THE DOCKET

Staff respectfully requests that this docket be restyled as *Application of Quadvest L.P. to Decertify a Portion of its Water Certificate of Convenience and Necessity in Jackson County*. If the ALJ concurs with Staff's recommendation to process this docket as an application to amend water CCN No. 11612 by decertification, then the proposed styling more accurately represents Quadvest's requested relief.

VI. CONCLUSION

For the reasons detailed above, Staff recommends that the application be deemed administratively complete, that Quadvest be directed to provide notice as described in the attached memorandum, that the proposed procedural schedule be adopted, and that the docket be restyled. Staff respectfully requests that an order be issued consistent with the foregoing recommendations.

Dated: October 7, 2020

Respectfully submitted,

PUBLIC UTILITY COMMISSION OF TEXAS LEGAL DIVISION

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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on October 7, 2020, in accordance with the Order Suspending Rules, issued in Project No. 50664.

/s/ Justin C. Adkins

Justin C. Adkins

Public Utility Commission of Texas

Memorandum

TO: Justin Adkins, Attorney
Legal Division

FROM: Alicia Maloy, Senior Infrastructure Analyst
Infrastructure Division

DATE: October 7, 2020

RE: Docket No. 51035 – *Petition of Quadvest, L.P. to Discontinue Water Service and Cancel its Water Certificate(s) of Convenience and Necessity to the Cape Shores Subdivision in Jackson County*

On July 10, 2020, Quadvest, L.P. (Quadvest) filed with the Public Utility Commission of Texas (Commission) a petition to discontinue water service and cancel Certificate of Convenience and Necessity (CCN) No. 11612 in Jackson County (Petition).

Following discussions with Commission Staff (Staff), during which it was relayed to Quadvest that the Petition would cancel Quadvest's entire water CCN, Staff and Quadvest determined that a different application would need to be filed to decertify only a portion of Quadvest's CCN. On September 8, 2020, Quadvest filed an application to amend its CCN No. 11612 to decertify a portion of its service area in Jackson County, Texas under Texas Water Code (TWC) § 13.250 and 16 Texas Administrative Code (TAC) §§ 24.245. Quadvest filed supplemental information on September 15 and 18, 2020.

Staff from the Infrastructure Division have reviewed the additional application and documentation filed by Quadvest and recommend that the application be deemed administratively complete. Staff further recommend that Quadvest perform the following:

1) Provide notice of the application by first-class mail to the following:

- a. Cities, districts, and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundary of the requested area, including:
 - *Tri County Point POA Inc (CCN No. 11786)*
 - *Cape Carancahua WSC (CCN No. 11885)*
 - *Guadalupe-Blanco River Authority*
 - *Jackson County Countywide Drainage District*
 - *Jackson County Navigation District*
 - *Lavaca-Navidad River Authority*
- b. The county judge of each county that is wholly or partially included in the requested area:
 - *Jackson County Judge*
- c. Each groundwater conservation district that is wholly or partially included in the requested area:
 - *Texana Groundwater Conservation District*

- d. Each landowner within the requested area.
- e. Any other affected parties in the requested area.

Addresses can be obtained by Quadvest from the Water Utility Database at <http://www.puc.texas.gov/watersearch>. Information related to districts including addresses can be obtained from the Texas Commission on Environmental Quality's (TCEQ) web site located at <http://www14.tceq.texas.gov/iwud/>.

- 2) Publish notice in a newspaper having general circulation in the county where the requested area is located, once each week for two consecutive weeks. Proof in the form of a publisher's affidavit must be filed within 30 days of the publication date. The affidavit must state with specificity each county in which the newspaper is of general circulation.
- 3) Provide notice using the attached notice forms.
- 4) Provide a copy of a map delineating the requested area with each individual notice to neighboring utilities, other affected parties, and landowners.
- 5) File in the docket a signed affidavit specifying every person and entity to whom notice was provided, the date that the notice was provided, and the publisher's affidavit and tear sheets for proof of newspaper publication. Also file a representative copy of the actual notice and a copy of the map that was included with each individual notice. All documentation must be filed within 30 days of the date of notice. It is recommended that Quadvest use the attached notice and affidavits to meet these requirements.

Staff may determine that additional information is needed to make a final recommendation in this docket. If additional information is needed, Staff may send requests for information (RFI) to Quadvest, which will have 20 days from the receipt of the RFI during which to respond.